Unlocking the Business Potential of APIs

Monetizing APIs with Oracle

When we think about APIs, an often-overlooked aspect is getting your APIs to do more than just provide meaningful connections. It is important to understand that APIs don't just enable new services and initiatives but can also generate revenue, in their own right by liberating customer information assets, while enabling powerful and profitable new partnerships.
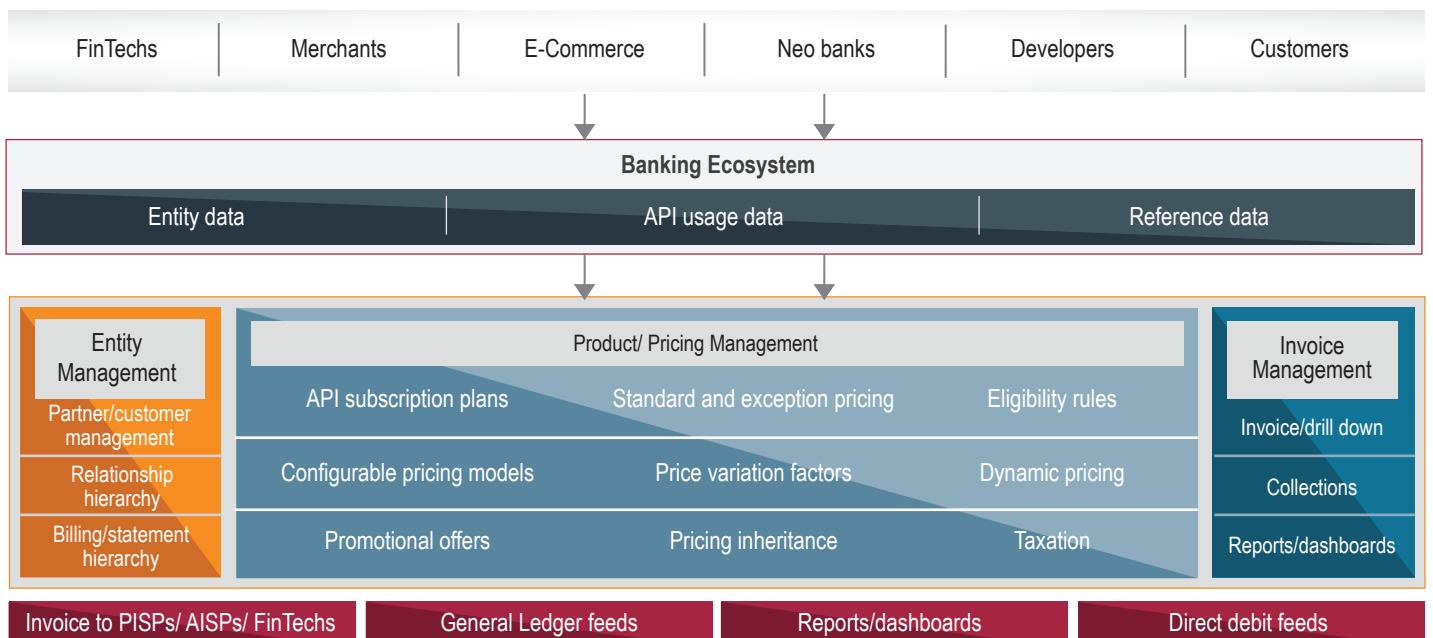
The era of Open Banking is now underway. This is just the beginning of a revolution that will connect financial institutions, consumers and third party service providers in radically new ways. The underlying aim of Open Banking is to make banking more transparent, open and competitive, to the benefit of the consumer.

One of the main drivers of Open Banking are new regulations emerging across the globe, particularly the Second Payment Services Directive (PSD2) and the UK Open Banking Standard. The change however, is not just merely about access to customer data and conforming to regulatory requirements, it goes much deeper. The willingness of progressive financial institutions to embrace Open Banking and use it as a catalyst to create new revenue streams demonstrates how thinking differently can open up new opportunities, whilst transforming the business for the better.

Monetizing APIs is the key to unlocking the value of data and building a revenue-generating App ecosystem. Whether you've been operating in the Open Banking for a while now, or you are just beginning your API journey, getting the most from your APIs depends heavily on choosing the right strategy and technology. Oracle's next-generation revenue management and billing platform enables financial institutions to realize the untapped potential of data by monetizing APIs.

Oracle Revenue Management and Billing delivers the full range of functionality for monetizing APIs, including the ability to apply context and relationship-based pricing, provide true price transparency and adopt different API business models.

FinTechs	Merchants	E-Commerce	Neo banks	Developers	Customers

Banking Ecosystem

Entity data	API usage data	Reference data

Entity Management	Product/ Pricing Management			Invoice Management
Partner/customer management	API subscription plans	Standard and exception pricing	Eligibility rules	Invoice/drill down
Relationship hierarchy	Configurable pricing models	Price variation factors	Dynamic pricing	Collections
Billing/statement hierarchy	Promotional offers	Pricing inheritance	Taxation	Reports/dashboards

Invoice to PISPs/ AISPs/ FinTechs	General Ledger feeds	Reports/dashboards	Direct debit feeds

Intelligently price with a holistic perspective of the customer

Customer relationship value based pricing

Gain an enterprise-wide, 360-degree view of the customer by aggregation of accounts and relationships. This ensures that all pricing decisions are based on a single version of the truth. Recognize the strength or potential of the complete customer relationship, and personalize your offers for each customer by offering a relationship price or a unique rate.

Multi-criteria based pricing

Set prices based on criteria such as customer segment, API features, and specific API bundle packages. Create and manage multi-dimensional customer hierarchies and apply API pricing rules at any level of the preference hierarchy.

End-to-end revenue cycle management

Leverage comprehensive, advanced API revenue cycle management capabilities, including the ability to set up API pricing rules, generate invoices and handle payment transactions.

Context aware pricing

Make pricing decisions in the context of the customer's buying pattern and circumstances. Gain contextual, real-time insights from customer or account level data such as milestones, preferences, previous purchase history and change in customer behavior to correctly assess their combined effect and use the information to dynamically adjust the price level. The solution enables you to anticipate a changing situation or an emerging need and trigger the right pricing response at the precise time.

> " Set API prices based on consolidated view of all customer relationships, accounts and its revenue value "

Modeling and simulation

With price modeling, your decisions are based on factual, predictive statistical insights and not intuitions. The 'what-if scenario' simulation gives you the ability to try out several price computation models, analyze the impact on revenue, and choose the best in order to reach sales and profit objectives. It helps create personalized pricelists for a customer based on financial value and profitability. You can fix the 'right price' for an opportunity without over-discounting.

Create new revenue streams with flexible monetization models

Flexible charging structure

Gain the ability to define who to charge (all entities involved in the transaction) and what to charge (all the price items, charge codes). Use an appropriate charging structure with the flexibility to charge any stakeholder within the API economy value chain, be it merchants, fintechs or third-party service providers/developers.

Incentives and rewards

Integrate your API with strategic partners and administer incentive programs for partners that drive more customers to your business and support indirect revenue.

API consumption models

- **API consumer/developer pays:**

  Offer some API capabilities for free and then charge for additional functionality (freemium), metered usage based pricing (pay as you go), usage tier based pricing (tiered), consumption based pricing (unit-based), pricing dependent upon the value of the transaction (transaction fee)

- **Revenue sharing/developer gets paid:**

  Share percentage of total revenue based on a business agreement with developer (percentage based, fixed price or tiered scale)

> "
> Choose the most suitable API monetization model to maximize profitability
> "

Open banking models

Choose the best model to monetize the opportunities that open banking offers: use APIs as a channel for your own products, expose services through open APIs to third-party developers, integrate external financial services with your own offerings, aggregate multiple APIs from other financial service providers into a single API or offer an open banking platform including APIs to other financial institutions.

Facilitate greater price and billing transparency with granularity of charges and fees
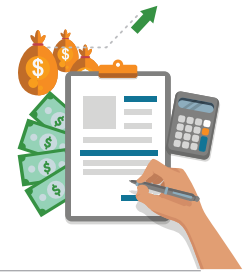
Customer statements

Make invoicing for API usage uncomplicated with customizable invoice types: a detailed invoice that lists the bill items for the bill unit and the API call events or a summary invoice that lists only the bill items and not the events. The solution allows you to create bills in real-time, batch, ad-hoc, event-driven, customer-defined or on a deferred basis. It enables you to send multiple invoices to a customer or accumulate charges throughout the billing cycle into a single invoice.

Transparency of charges

Notify API consumers if business related thresholds are crossed, possibly suggesting opportunities, or areas that need attention. Create billing alerts that notify consumers when charges exceed their specified values.

Visibility, monitoring and traceability

Gain real-time visibility into API traffic with customizable reports and dashboards to better track and monitor API consumption trends. Keep track of your invoice status (open, paid and overdue invoices) and trigger a collection workflow, if required.

Bill itemization

Provide itemized bills with details of each bill component including applicable taxes. Itemize all charges and fees, including: one off costs (set-up fee, joining fee), ongoing costs (transaction fees, subscription fees), and all other costs related to transactions (commissions, foreign exchange costs).

> Provide breakdown of all API usage charges payable and exchange rate applicable

Transparency of charges

Provide customers with detailed information on the charges payable and method of calculation, and where applicable, a breakdown of the amounts of any charges and exchange rate (actual or reference), if currency conversion is involved.

- Complete technology infrastructure to embrace end-to-end API monetization

- Clear leader in enterprise pricing and billing with proven track record of success

- 1 of the world's largest Money Services Companies is powered by Oracle

- Powering more than 40 global financial institutions of all sizes, across regions

- Flexibility to deploy on cloud, on-premises or hybrid

- We've powered 2 out of the Top 5 Global Banks

- We serve 2 of the Top 2 World Exchanges

- 2 out of the Top 2 Custodian Banks run Oracle

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